



City of Santa Barbara
Airport Department

DATE: August 19, 2009
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: Rental Car Quick Turn Around Agreement Amendment

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute an amendment to amend the "Premises", "Exhibit A", "Rental", "Alterations and Improvements" and "Surrender" provisions, in the Rental Car Quick Turn Around Agreements between the City and:

- A. Budget Rent A Car System, Inc., Agreement No. 200841,
- B. The Hertz Corporation, Agreement No. 200840,
- C. Enterprise Rent-A-Car Company of Los Angeles, Agreement No. 200842 and
- D. Vanguard Car Rental USA, Inc., dba National, Agreement No. 200843.

DISCUSSION:

The City entered into Lease Agreements for construction and operation of a new rental car Quick Turn Around facility (QTA), including offices, storage, service bays, wash bays, fueling facilities, and storage of automobiles at 25 David Love Place on September 1, 2008 with The Hertz Corporation, Budget Rent A Car System, Inc., Enterprise Rent-A-Car of Los Angeles, and Vanguard Car Rental USA, Inc., (RACs).

The QTA facility is nearing completion. The lease will become effective upon issuance of a Certificate of Occupancy and end no later than August 31, 2011. The use conforms to existing zoning.

The proposed amendments to the QTA agreements include the specific location and square footage of operations space and vehicle parking allotted to each RAC, as determined by the most recent calculation of market share as required under Article 4, "ANNUAL REALLOCATION OF READY CAR PARKING SPACES" of the Rental Car Concession Agreements. The proposed rate of \$.13 per square foot per month for the site was established by an appraisal prepared by Jim Hammock of Hammock, Arnold, Smith & Company, in June 2007.

In addition, changes to the "Alterations and Improvements" and "Surrender" articles were needed to define which equipment was owned by the Airport and which was considered "personal property" of the tenant, to be removed at the end of the lease term.

The proposed Lease Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business & Property Division